

1 *Amend Section 19826.1 to read:*

2 **TITLE 5. Education**

3 **Division 1.5. Education Audit Appeals Panel**

4 **Chapter 3. Audits of California K-12 Local Education Agencies**

5 **Article 3. State Compliance Requirements**

6 **§ 19826.1 Class Size Reduction.**

7 For fiscal year 2004-05 and each fiscal year thereafter, perform the following audit steps:

8 If the school district or charter school received Class Size Reduction Program funding for
9 the year audited, perform the following procedures, using daily averaging in all instances in
10 which averaging is required.

11 (a) Verify the mathematical accuracy of the Class Size Reduction Program claim form
12 submitted to the California Department of Education.

13 (b) Option One Classes

14 (1) Select a sample of classes from those that were certified as eligible for Option One
15 Class Size Reduction Program funding, using the following procedures:

16 (A) The number of classes to be reviewed shall be based on auditor judgment, but the
17 selection of classes shall be made randomly.

18 (B) For each class selected, the sample shall include at least 15 days randomly selected
19 from all instructional days that occurred between the first day of instruction and April 15,
20 inclusive, of the year audited.

21 (C) If class size for the sampled classes was more than 20.4 when averaged over a period
22 from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-
23 depth review. The in-depth review shall be either of the following:

24 1. A review of all instructional days for all classes for which a district or charter school has

1 requested funding pursuant to the provisions of Education Code Section 52126.

2 2. A randomly selected sample of all classes and instructional days, of sufficient size and
3 designed in such a manner that the auditor can conclude, with a 95 percent degree of
4 confidence, that the average daily class size for each class, when averaged over the period from
5 the first day of instruction to April 15, did not exceed 20.4.

6 (D) The district or charter school shall make the determination as to which of the two in-
7 depth review methods set forth in the immediately preceding subparagraph shall be used.

8 (2) For sampled classes, review the data used to prepare the list of Option One classes
9 reported to the California Department of Education, to verify that the report is supported by
10 contemporaneous records.

11 (3) For sampled classes, review teacher assignments and other available pupil and teacher
12 assignment data to verify that the number of students reported as being under the immediate
13 supervision of each assigned teacher for each class reported was the actual class size for a
14 substantial majority of the full regular school day.

15 (c) Option Two Classes

16 (1) Select a sample of classes from those that were certified as eligible for Option Two
17 Class Size Reduction Program funding, using the following procedures:

18 (A) The number of classes to be reviewed shall be based on auditor judgment, but the
19 selection of classes shall be made randomly.

20 (B) For each class selected, the sample shall include at least 15 days randomly selected
21 from all instructional days that occurred between the first day of instruction and April 15,
22 inclusive, of the year audited.

23 (C) If class size for the sampled classes was more than 20.4 when averaged over a period
24 from the first day of instruction to April 15, inclusive, the auditor shall conduct a more in-

1 depth review. The in-depth review shall be either of the following:

2 1. A review of all instructional days for all classes for which a district or charter school has
3 requested funding pursuant to the provisions of Education Code Section 52126.

4 2. A randomly selected sample of all classes and instructional days, of sufficient size and
5 designed in such a manner that the auditor can conclude, with a 95 percent degree of
6 confidence, that the average daily class size for each class, when averaged over the period from
7 the first day of instruction to April 15, did not exceed 20.4.

8 (D) The district or charter school shall make the determination as to which of the two in-
9 depth review methods set forth in the immediately preceding subparagraph shall be used.

10 (2) For sampled classes, review the data used to prepare the list of Option Two classes
11 reported to the California Department of Education, to verify that the report is supported by
12 contemporaneous records.

13 (3) For sampled classes, review teacher assignments and other available data to ensure that
14 the class size reported was the maximum actual class size for at least one-half of the
15 instructional minutes offered per day in each grade for which Option Two Class Size
16 Reduction funding was claimed.

17 (4) Review class schedules to ensure that the time that pupils spent in Option Two classes
18 was primarily devoted to instruction in reading or mathematics.

19 (d) Class Size Reduction ~~is~~ an option for districts or charter schools with only one school
20 serving K-3:

21 For school districts or charter schools that ~~maintain only one school that serves~~
22 ~~kindergarten and grades 1 through 3~~ participate in Class Size Reduction pursuant to the
23 provisions of subdivision (h) of Education Code Section 52122, verify that:

24 (1) The ~~district or charter school claimed Class Size Reduction funding for not~~ had no more

1 than two classes per participating grade level,

2 ~~(2)~~ (4) The pupil-to-teacher ratio did not exceed 22.4 to 1 in any class; ,

3 (3) The average class size of all classes participating in Class Size Reduction, combined,
4 did not exceed 20.4, and

5 ~~(4)~~ (2) The governing board made a public declaration as set forth in subdivision (h)(2) of
6 Education Code Section 52122 ~~that it exhausted all possible alternatives to averaging and was~~
7 ~~unable to achieve a pupil-to-teacher ratio of 20 to 1 in a way that is educationally acceptable. ,~~

8 (e) General requirements:

9 (1) For all sampled classes, and for classes claimed for Class Size Reduction funding in
10 districts or charter schools with only one school serving kindergarten and grades 1 through 3,
11 review the school level information used to complete the California Department of Education's
12 reporting form. Verify that:

13 (A) classes claimed for funding were for pupils in kindergarten, or grades 1 to 3, inclusive;

14 (B) if only one grade level was reduced, it was grade 1;

15 (C) if two grade levels were reduced, they were grades 1 and 2; and

16 (D) priority was given to the reduction of classes in grades 1 and 2 before classes in
17 kindergarten or grade 3 were reduced.

18 (2) For the sampled classes, verify that the district or charter school did not report to the
19 California Department of Education on the Class Size Reduction reporting form:

20 (A) any classes consisting of special education pupils enrolled in special day classes on a
21 full-time basis,

22 (B) any pupil who was enrolled in independent study or home study for the full regular
23 school day,

24 (C) any pupil who was enrolled in independent study or home study for any portion of the

1 full regular school day, for that portion of each day that the pupil was on independent study or
2 home study, or

3 (D) any pupil enrolled in a Class Size Reduction combination class who was at a grade
4 level ineligible for Class Size Reduction funding.

5 (3) For the sampled classes, verify that counts began on the first teaching day each class
6 existed.

7 (4) If a district elected to reduce class size through the use of an early-late instructional
8 program and claimed Class Size Reduction funding for Option One classes, verify that it did
9 not follow the provisions of Education Code Section 46205 when calculating instructional time
10 used to qualify for Longer Instructional Day and Year incentive funding unless the district
11 operated an early-late instructional program pursuant to the provisions of Education Code
12 Section 46205 prior to July 1, 1996.

13 (5) If a district elected to reduce class size through the use of an early-late instructional
14 program and claimed Class Size Reduction funding for Option Two classes, verify that it did
15 not follow the provisions of Education Code Section 46205 when calculating instructional time
16 used to qualify for Longer Instructional Day and Year incentive funding.

17 (f) If any of the classes reported for Class Size Reduction funding is found to be ineligible
18 for such funding pursuant to any of the foregoing audit procedures, or if any individual pupils
19 in eligible classes are found to have been ineligible because of their grade level(s) but to have
20 been included in the number of eligible pupils reported, or both, prepare, and include in the
21 Findings and Recommendations section of the audit report, a schedule summarizing the results
22 of all procedures and displaying the numbers of noncompliant classes by grade level, number
23 of pupils incorrectly reported as eligible, and Class Size Reduction funding claimed on the
24 basis of those classes and pupils. Include the data for each ineligible class only once, even if

found to have been ineligible for Class Size Reduction funding in more than one of the steps in the audit procedures. Display information separately for classes with annual average enrollments determined, pursuant to the provisions of Education Code Section 52124.5, to be

(1) equal to or greater than 20.5 but less than 21.0, with a 20 percent reduction of the amount to which the district would otherwise be eligible for each such class;

(2) equal to or greater than 21.0 but less than 21.5, with a 40 percent reduction of the amount to which the district would otherwise be eligible for each such class;

(3) equal to or greater than 21.5 but less than 21.9, with an 80 percent reduction of the amount to which the district would otherwise be eligible for each such class; and

(4) equal to or greater than 21.9, with a 100 percent reduction of the amount to which the district would otherwise be eligible for each such class.

(g) Interview management regarding the district's staff development program.

(1) Verify that the staff development program required, as set forth in Education Code Section 52127, that any certificated teacher providing direct instruction to a class in the Class Size Reduction Program receive the appropriate training necessary to maximize the educational advantages of Class Size Reduction, including but not limited to methods for providing individualized instruction; effective teaching, including classroom management, in smaller classes; identifying and responding to student needs; and opportunities to build on the individual strengths of students.

(2) If the district did not have a staff development program as set forth in Education Code Section 52127, include a finding in the Findings and Recommendations section of the audit report showing the full amount of Class Size Reduction funding received as disallowed.

NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503 and 41020, Education Code.

[10/31/05]